This dommon/ed-for Folgaser 1999/29124 : CIA-RDP82-00457R000800570005-0 affecting the national defense of the United States within the meaning of the Espionage Act, 50, U.S.C. 31 and 32 as amended. Its transmission COMPTONITIAL 25X1A2a or the revelation of its contents in any manner to an unauthorized person CENTRAL INTELLIGENCE GROUP IU4039 is prohibited by law. INTELLIGENCE REPORT DATE: Germany (Russian Zone) COUNTRY 25X1A6a This document is hereby regraded to SUBJECT SED Party Affairs CONFIDENTIAL in accordance with the DIST. M. August 19.7 CONFIDENTIAL in accordance with the 25X1A6a letter of 16 October 1978 from the PPLEMENT Director of Central Intelligence to the ORIGIN 25X1X6 Archivist of the United States.

- 1. Max Fechner has denied a statement recently made by the Berlin Telegraf, which charged that he had written a letter to the executive committee of the (ED) to complain that former SPD members are discriminated against by former KPD members in the SED. Fechner maintains that the mention of such a letter was merely an attempt on the part of the Telegraf and the SPD to sow discord within the ranks of the SED.
- 2. At a conference with editors of SED newspapers in Berlin on 25 June 1947, Hermann Matern, chairmen of the SED state directorate, spoke on the present situation in Berlin. His remarks, previously approved by the executive committee of the SED, were generally directed against SPD policy or lack of policy, to which, he claimed, the acute distress of the city may be attributed. The population of Berlin must be made to realize that, although it is not an opposition party, the SED cannot be held responsible for prevailing conditions. Matern went on to state that it is the duty of the SED, through constant criticism, to force the SPD into a positive line of action. The attempt to link Berlin solely with the West must cease, and supplies must be drawn from all four countries; Polend, Matern said, has replied favorably to SED inquirses concerning the possibility of a trade agreement, but the city government, although informed of this, has made no move. the SED has been discussing trade pacts with Poland and Czechoslovakia through (Bruno ?) Baum of the SED city directorate. 25X1X6
- 3. The impression appears to be prevalent in SED circles that the party is losing ground in Serlin, as well as in the western zones, where, of course, it is hampered in that it is not yet a legal party. Ulbricht recently conferred with delegates from the western zones, but failed to reveal any conclusions which they may have reached. Mass meetings held in Berlin have had extremely poor attendance; for example, only 400 persons appeared to hear Hermann Matern's last public address.



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